

stated in 7 CFR parts 3015, "Uniform Federal Assistance Regulations" or 3019, "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and other Nonprofit Organizations."

Between 1111111111(Grantee) and the United States of America acting through the Rural Business-Cooperative Service (RBS), Department of Agriculture, (Grantor).

Witnesseth:

All references herein to "Value-Added Research" refer to the proposal submitted by Grantee and approved by Grantor for evaluating the effects of projects for value-added agricultural commodities or products on agricultural producers and the commodity markets which is attached as Exhibit A. The principal amount of the grant is \$300,000 (Grant Funds).

Whereas

Grantee has proposed to conduct the research described in the proposal as approved by Grantor;

Grantee is an accredited university for purposes of granting undergraduate and graduate degrees;

The Grantee is able to finance or directly fund any amounts as may be necessary to supplement Grant Funds in order to ensure that sufficient funds are available for the Value-Added Research;

Grantee has provided a total budget and funding schedule, acceptable to the Grantor, for how the Grant Funds and other funds (if applicable) are to be spent which is attached as Exhibit B;

The Grantor has agreed to give the Grantee the Grant Funds, subject to the terms and conditions established by the Grantor. Provided, however, that any Grant Funds actually advanced and not needed for grant purposes shall be returned immediately to the Grantor. The Grantor may terminate the grant in whole, or in part, at any time, whenever it is determined that the Grantee has failed to comply with the conditions of this Agreement, including satisfactory performance reviews, or the applicable regulation(s) and applicable Notice of Funding Availability (NOFA).

As a condition of this Agreement, the Grantee assures and certifies that it is in compliance with and will comply in the course of the Agreement with all applicable laws, regulations, Executive Orders and other generally applicable requirements, including those contained in 7 CFR 3015.205(b) and the NOFA, or referenced therein, and that are hereby incorporated into this agreement by reference and such other statutory provisions as are specifically contained herein.

Now, therefore, in consideration of said grant, Grantee agrees to:

A. Cause said Value-Added Research to be conducted, within one year of the date of this Agreement, within the total sums, including Grant Funds, available to the Grantee.

B. Provide periodic reports to the Grantor and respond promptly and completely to requests for status updates on the Value-Added Research by a representative of the Grantor. The reports to be provided in form and substance satisfactory to the Grantor are as follows:

1. A "Financial Status Report" listing expenditures according to agreed upon

budget categories, on a semi-annual basis. Reporting periods end each March 31 and September 30. Financial Status Reports are due 30 days after the reporting period ends.

2. A "Performance" report that compares accomplishments to the objectives stated in the proposal. This report will identify all tasks completed to date and include documentation supporting the reported results. If the original schedule agreed to by the Grantor is not being met, this report will discuss the problems or delays, explain why the original objectives were not met and establish the objectives for the next reporting period. Reporting periods end each March 31 and September 30. Performance reports are due 30 days after the reporting period ends.

These reports are to be submitted in an electronic form acceptable to the Grantor at the following address:
marc.warman@usda.gov.

At the option of the Grantee, reports may be submitted in hard copy (one copy) to the following address:

Marc Warman, Program Leader, USDA Rural Business-Cooperative Service, Stop 3252, Room 4016, 1400 Independence Ave., SW., Washington, DC 20250-3252. Telephone (for courier deliveries): (202) 690-1431.

Grantor may change the name and address for report submissions upon written notice to Grantee.

C. Provide the following deliverables on the dates specified:

1. Preliminary impact study of value-added activities other than the value added producer grant and agricultural innovation center programs funded by USDA no later than 6 months from date of Agreement. This deliverable should discuss what the experience of other value-added efforts suggests can be incorporated in USDA's implementation of the value added producer grant and agricultural innovation center in order to maximize the benefits of these value-added programs to agricultural producers and commodity markets.

(a) This deliverable should report what have been the most challenging or unexpected aspects of developing value-added businesses with respect to agricultural products and commodities.

(b) This deliverable should also report what other value-added project participants would, if they had the opportunity, have done differently.

2. First year evaluation reports for the value added producer grant and agricultural innovation center programs funded by USDA no later than 1 year from date of the last grant award for the applicable program obligated in fiscal year 2003. A separate evaluation report for each program will be prepared.

The evaluation report on the value-added producer grant should include a brief assessment of each project, a conclusion as to whether the project was successful, a quantitative assessment of the benefit realized by the grant recipient as a result of the project to date and a quantitative assessment of the benefit that may reasonably be expected to accrue to the grant recipient as a result of the project.

The evaluation report on the agricultural innovation center program should include an

assessment of the number of agricultural producers that received services, a breakdown of services provided (expressed by hours per type of service), areas of needed improvement and a quantitative assessment of benefits directly realized as a result of services provided by each center.

Each report generated for this deliverable should:

(a) Report what have been the most challenging or unexpected aspects of developing value-added businesses with respect to agricultural products and commodities.

(b) Report what the value-added project participants would, if they had the opportunity, have done differently.

(c) An assessment of what information and reports are appropriate for ongoing program performance monitoring by USDA of grant recipients under each value-added grant program.

(d) An assessment of the extent USDA's implementation of each USDA Value-Added program maximizes the positive effects of each program on (i) the demand for agricultural products, (ii) market prices, (iii) farm income and (iv) Federal outlays on commodity programs and where improvement is needed.

3. Final report on the impacts of value-added activities, including activities being conducted by state and private entities, on (a) the demand for agricultural products, (b) market prices, (c) farm income and (d) Federal outlays on commodity programs no later than 30 days after the end of the grant period.

D. Use Grant Funds and other funds provided by Grantee only for the purposes and activities specified in the Proposal. Any uses not provided for in the approved budget must be approved in writing by RBS in advance of obligation by the Grantor.

E. Deliver the results of a study or activity to the Grantor upon completion of each task outlined in the Proposal.

F. Not use Grant Funds to replace any financial support previously provided or assured from any other source. The Grantee agrees, if applicable, that the Grantee's level of expenditure for the Value-Added Research shall be maintained and not reduced as a result of Grant Funds.

G. Conduct the Value-Added Research without discrimination as to race, color, religion, sex, national origin, age, sexual orientation, marital status, or physical disability.

H. To execute any agreements required by Grantor which Grantee is legally authorized to execute.

I. Upon any default under its representations or agreements contained in this instrument, Grantee, at the option and demand of Grantor, will immediately repay to Grantor the Grant Funds with any legally permitted interest from the date of the default. Default by the Grantee will constitute termination of the grant thereby causing cancellation of Federal assistance under the grant. The provisions of this Agreement may be enforced by Grantor, at its option and without regard to prior waivers of previous defaults by Grantee, by judicial proceedings to require specific performance of the terms